

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

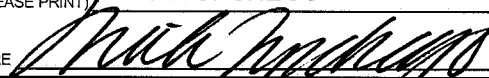
FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-21330		6. SURFACE: State	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>						7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>						8. UNIT or CA AGREEMENT NAME: UNIT #891008900A	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.						9. WELL NAME and NUMBER: NBU 1021-29E	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078				PHONE NUMBER: (435) 781-7024		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2635'FNL, 1010'FWL 621291X 39.918703 AT PROPOSED PRODUCING ZONE: 4419488Y -109.580808						11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 29 10S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 18.2 MILES SOUTH OF OURAY, UTAH						12. COUNTY: UINTAH	
						13. STATE: UTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1010'			16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C			19. PROPOSED DEPTH: 9,370		20. BOND DESCRIPTION: RLB0005237		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5303'GL			22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:		

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8	H-40	32.3#	1,900	265 SX CLASS G	1.18 YIELD	15.6 PPG
7 7/8"	4 1/2	I-80	11.6#	9,370	1970 SX 50/50 POZ	1.31 YIELD	14.3 PPG

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

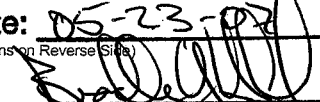
NAME (PLEASE PRINT) <u>SHEILA UPCHEGO</u>	TITLE <u>SENIOR LAND ADMIN SPECIALIST</u>
SIGNATURE <u></u>	DATE <u>1/23/2007</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-047-39017

**Approved by the
Utah Division of
Oil, Gas and Mining**

APPROVAL:

Date: 05-23-07
By: 

RECEIVED

FEB 02 2007

DIV. OF OIL, GAS & MINING

T10S, R21E, S.L.B.&M.

Set Marked
Stones

1977 Brass Cap
0.8' High, Pile of
Stones

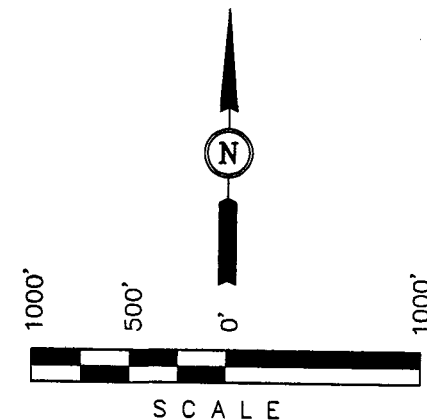
Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1021-29E, located as shown in the SW 1/4 NW 1/4 of Section 29, T10S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

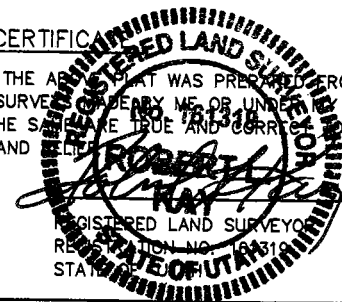
TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

1977 Brass Cap
0.5' High, Pile of
Stones



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



1977 Brass Cap
0.6' High, Pile of
Stones

1/2" Rebar 0.6' High,
Pile of Stones, Set
Stone

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°55'07.02" (39.918617)
LONGITUDE = 109°34'53.34" (109.581483)
(NAD 27)
LATITUDE = 39°55'07.14" (39.918650)
LONGITUDE = 109°34'50.86" (109.570794)

UNTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-15-06	DATE DRAWN: 11-16-06
PARTY L.K. J.M. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE Kerr-McGee Oil & Gas Onshore LP	

NBU 1021-29E
SW/NW SEC. 29, T10S, R21E
UINTAH COUNTY, UTAH
ML-21330

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1111'
Top of Birds Nest Water	1333'
Mahogany	1880'
Wasatch	4288'
Mesaverde	7202'
MVU2	8182'
MVL1	8680'
TD	9370'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1111'
	Top of Birds Nest Water	1333'
	Mahogany	1880'
Gas	Wasatch	4288'
Gas	Mesaverde	7202'
Gas	MVU2	8182'
Gas	MVL1	8680'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9370' TD, approximately equals 5809 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3748 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.

KERR-McGEE OIL & GAS ONSHORE LP
DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	January 23, 2007		
WELL NAME	NBU 1021-29E	TD	9,370'	MD/TVD	
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
		ELEVATION	5,303'	GL	KB 5,318'
SURFACE LOCATION	SW/NW SEC. 29, T10S, R21E 2635'FNL, 1010'FWL				BHL Straight Hole
	Latitude: 39.918617	Longitude: 109.581483			
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.				

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION		HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,288'					
	Green River @	1,111'			
	Top of Birds Nest Water @	1333'			
	Mahogany @	1,880'			
	Preset f/ GL @				
	1,900' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD Open hole logging program f/ TD - surf csg					
	Wasatch @	4,288'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.5 ppg
	Mverde @	7,202'			
	MVU2 @	8,182'			
	MVL1 @	8,680'			
					Max anticipated Mud required 11.5 ppg
	TD @	9,370'			



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1900	32.30	H-40	STC	0.64*****	1.54	4.73
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9370	11.60	I-80	LTC	2.20	1.13	2.12

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 3542 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2		NOTE: If well will circulate water to surface, option 2 will be utilized					
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,780'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	410	60%	11.00	3.38
	TAIL	5,590'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1560	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE: _____

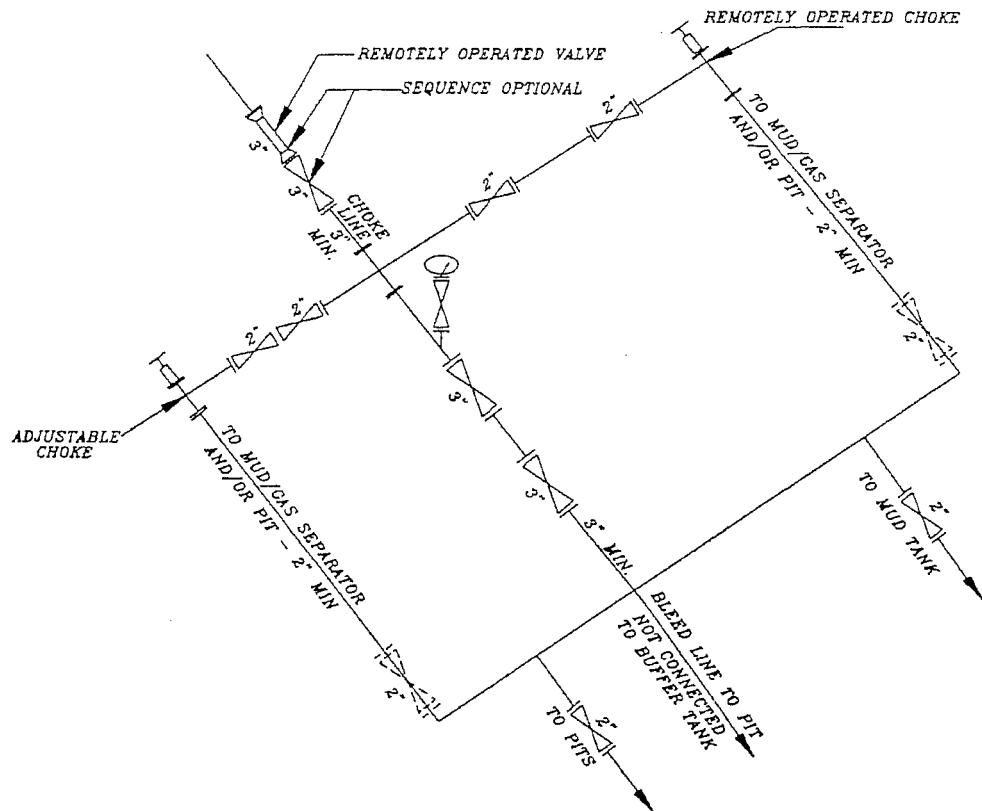
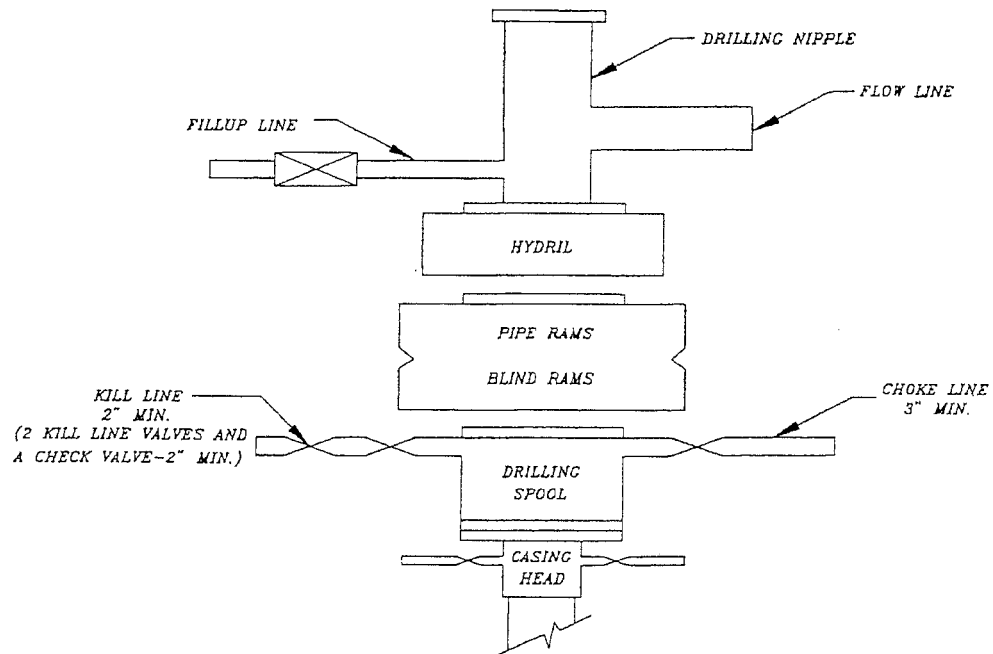
DRILLING SUPERINTENDENT:

Randy Bayne

DATE: _____

NBU1021-29E DHD.xls

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1021-29E
SW/NW SEC. 29, T10S, R21E
Uintah County, UT
ML-21330

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.1 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

Approximately 0.5 +/- miles of re-habed road needs upgraded. Refer to Topo Map B.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 3600' +/- of 4" pipeline is proposed from the location to a tie-in point. Refer to Topo Map D.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with

dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

Reseeding operations will be performed after completion of other reclamation operations.

11. **Surface Ownership:**

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. **Lessee's or Operators's Representative & Certification:**

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East.
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

1/23/2007
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29E

SECTION 29, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 15.6 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND A RE-HABED ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.2 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29E

LOCATED IN UTAH COUNTY, UTAH
SECTION 29, T10S, R21E, S.L.B.&M.

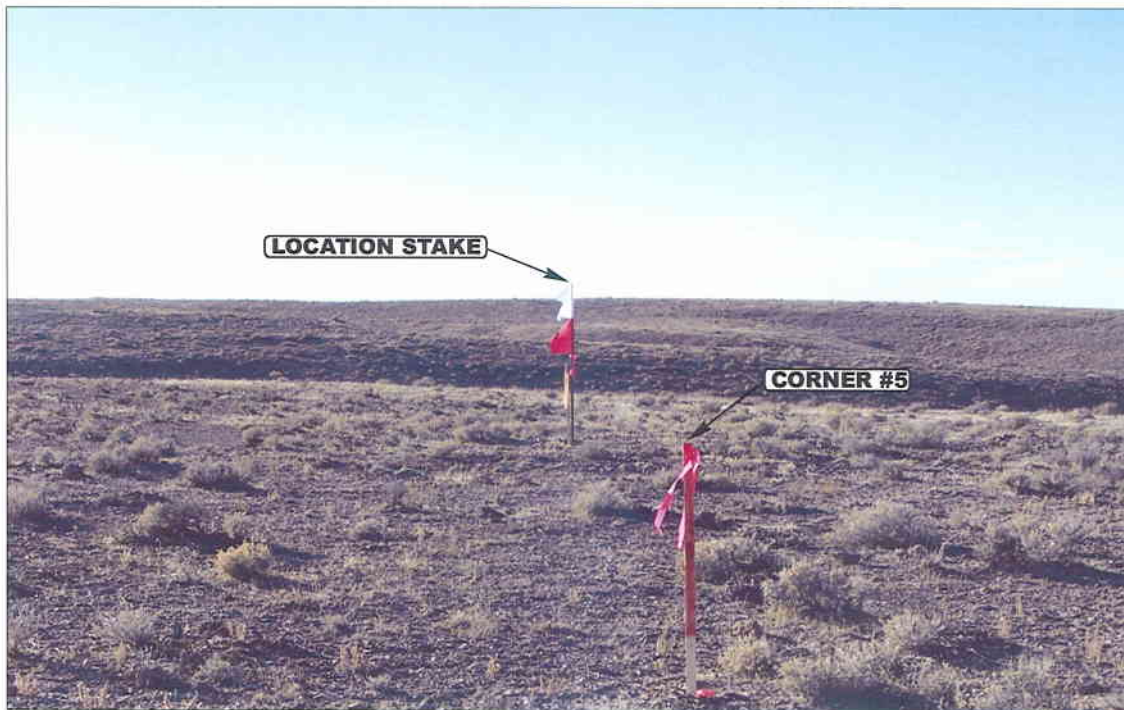


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

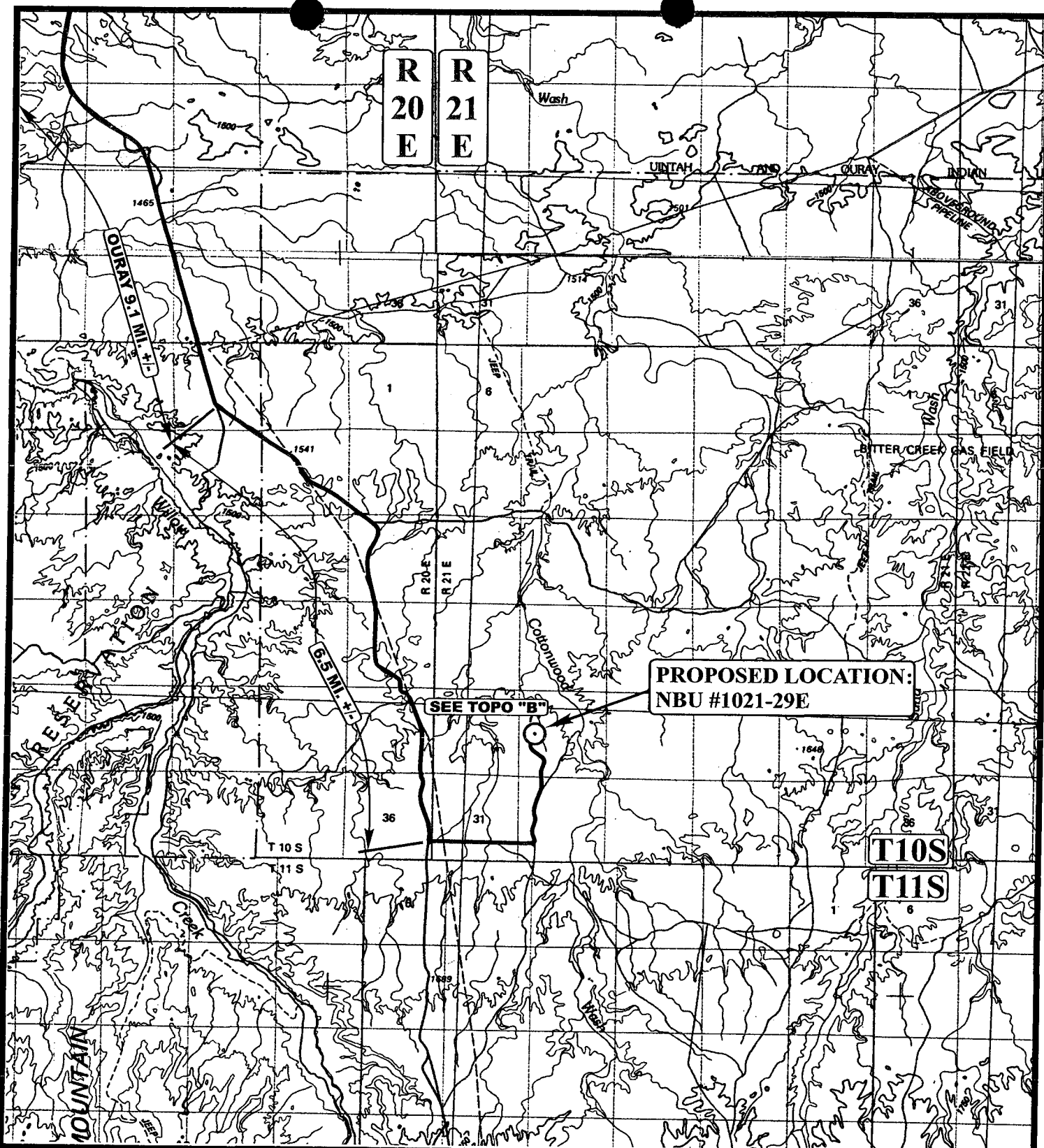
11 18 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: L.K.

REVISED: 00-00-00



LEGEND:

○ PROPOSED LOCATION

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29E

SECTION 29, T10S, R21E, S.L.B.&M.

2635' FNL 1010' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

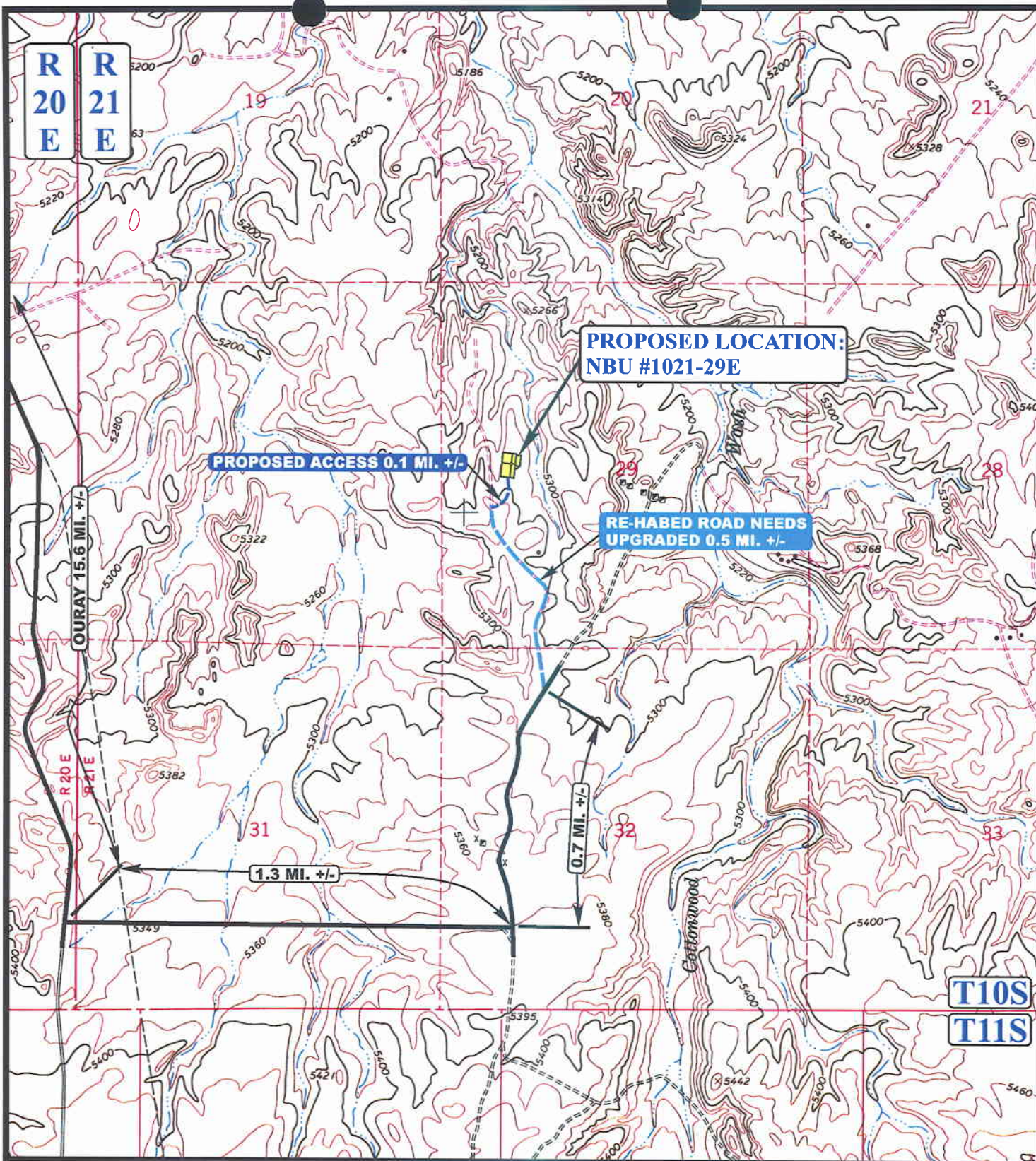


TOPOGRAPHIC
MAP

11 18 06
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- RE-HABED ROAD NEEDS UPGRADED

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29E

SECTION 29, T10S, R21E, S.L.B.&M.

2635' FNL 1010' FWL



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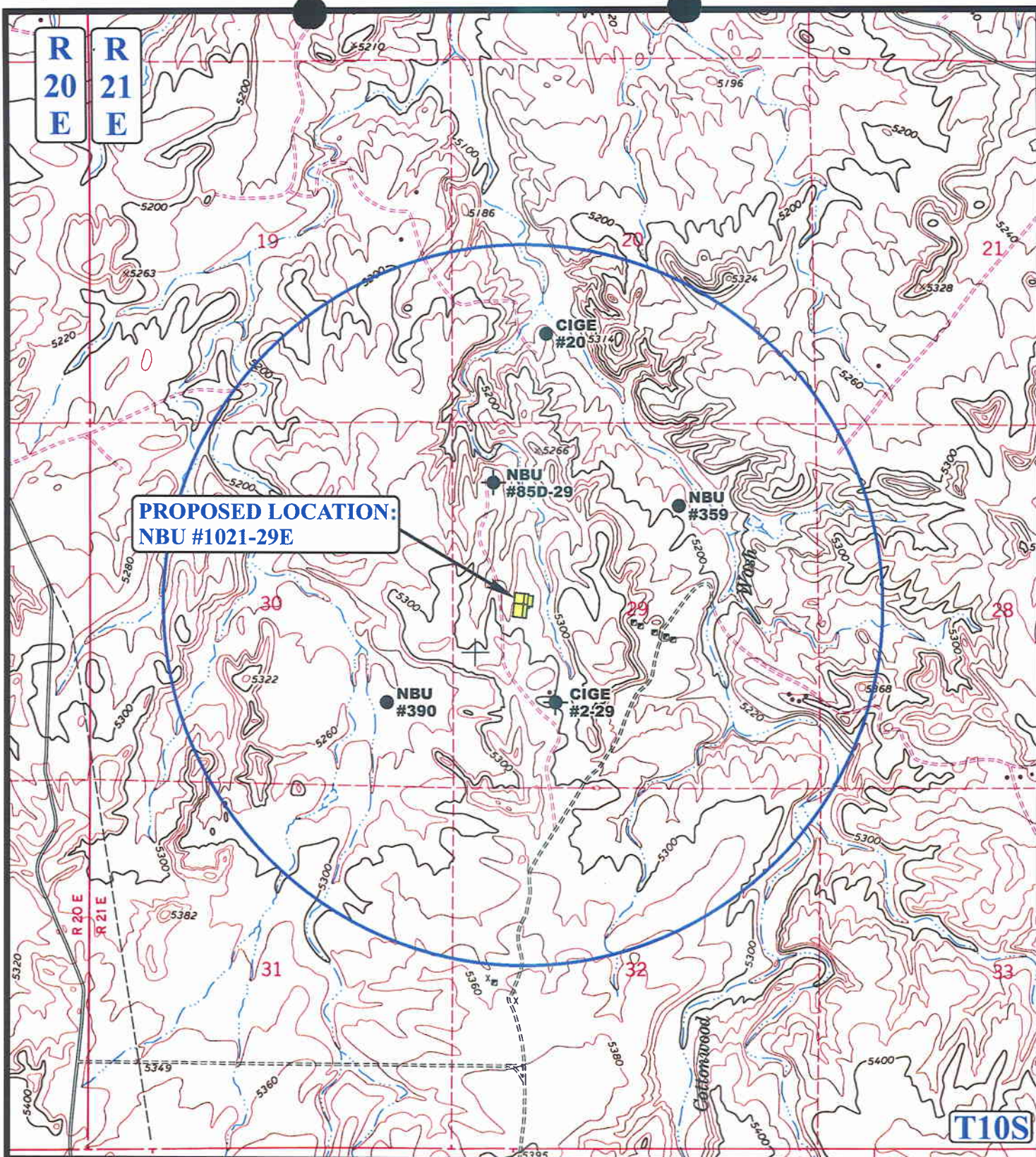


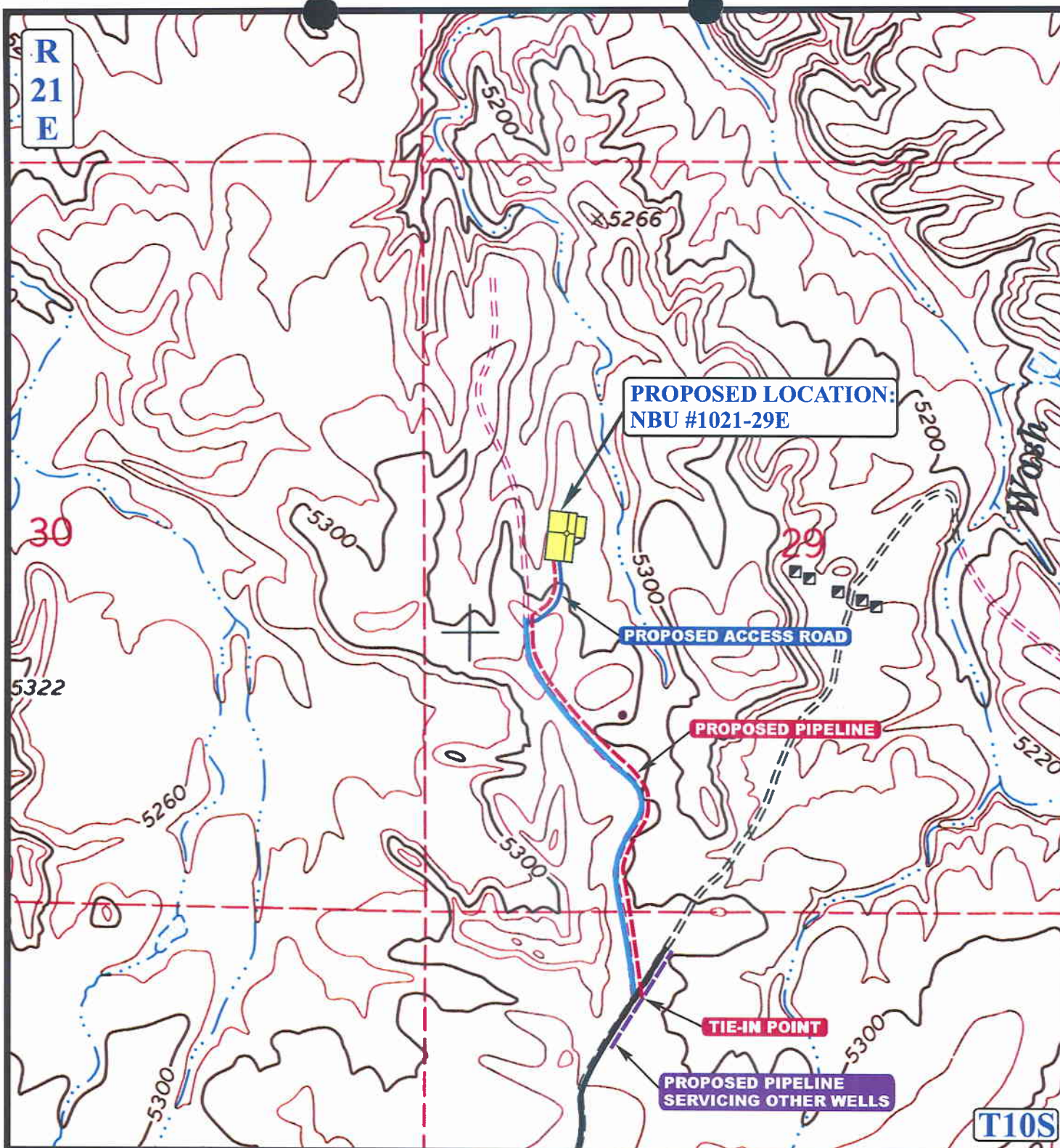
TOPOGRAPHIC
MAP

11 **18** **06**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





B
 TOPO





APPROXIMATE TOTAL PIPELINE DISTANCE = 3,600' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29E

SECTION 29, T10S, R21E, S.L.B.&M.

2635' FNL 1010' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

11 18 06
MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: L.K.

REVISED: 00-00-00

D
TOPO

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29E

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH

SECTION 29, T10S, R21E, S.L.B.&M.



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHERLY



- Since 1964 -

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

11
MONTH

18
DAY

06
YEAR

PHOTO

TAKEN BY: D.K.

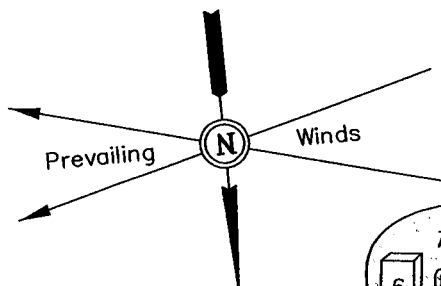
DRAWN BY: L.K.

REVISED: 08-10-06

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

NBU #1021-29E
SECTION 29, T10S, R21E, S.L.B.&M.
2635' FNL 1010' FWL



SCALE: 1" = 50'
DATE: 11-17-06
Drawn By: C.H.

F-7.3'
El. 293.3'

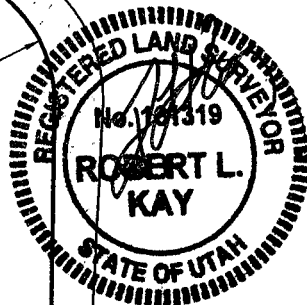
Proposed Access Road

Sta. 3+50

F-1.2'
El. 299.3'

F-0.3'
El. 300.2'

Round Corners as Needed



NOTE:

Flare Pit is to be located a min. of 100' from the Well Head. Approx. Top of Cut Slope

El. 302.3'
C-11.8'
(btm. pit)

Pit Topsoil

Blooe Line

PIPE TUBS

200'

PIPE RACKS

C-3.0'
El. 303.5'

C-2.3'
El. 302.8'

Sta. 1+50

F-4.9'
El. 295.6'

TOILET

TRAILER

WATER TANK

Approx. Toe of Fill Slope

Sta. 0+50

C-2.9'
El. 303.4'

RIG

LIGHT PLANT

BOILER

PUMP HOUSE

TRASH

F-1.8'
El. 298.7'

PROPANE STORAGE

F-3.4'
El. 297.1'

F-2.5'
El. 298.0'

Topsoil Stockpile

Sta. 0+00

F-9.0'
El. 291.5'

El. 299.2'
C-8.7'
(btm. pit)

15' WIDE BENCH/DIKE

RESERVE PITS
(10' Deep)
Total Pit Capacity
W/2' of Freeboard
= 9,850 Bbls. ±
Total Pit Volume
= 2,780 Cu. Yds.

15' WIDE BENCH

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5302.8'
FINISHED GRADE ELEV. AT LOC. STAKE = 5300.5'

Proposed Access For the #29-F

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

NBU #1021-29E

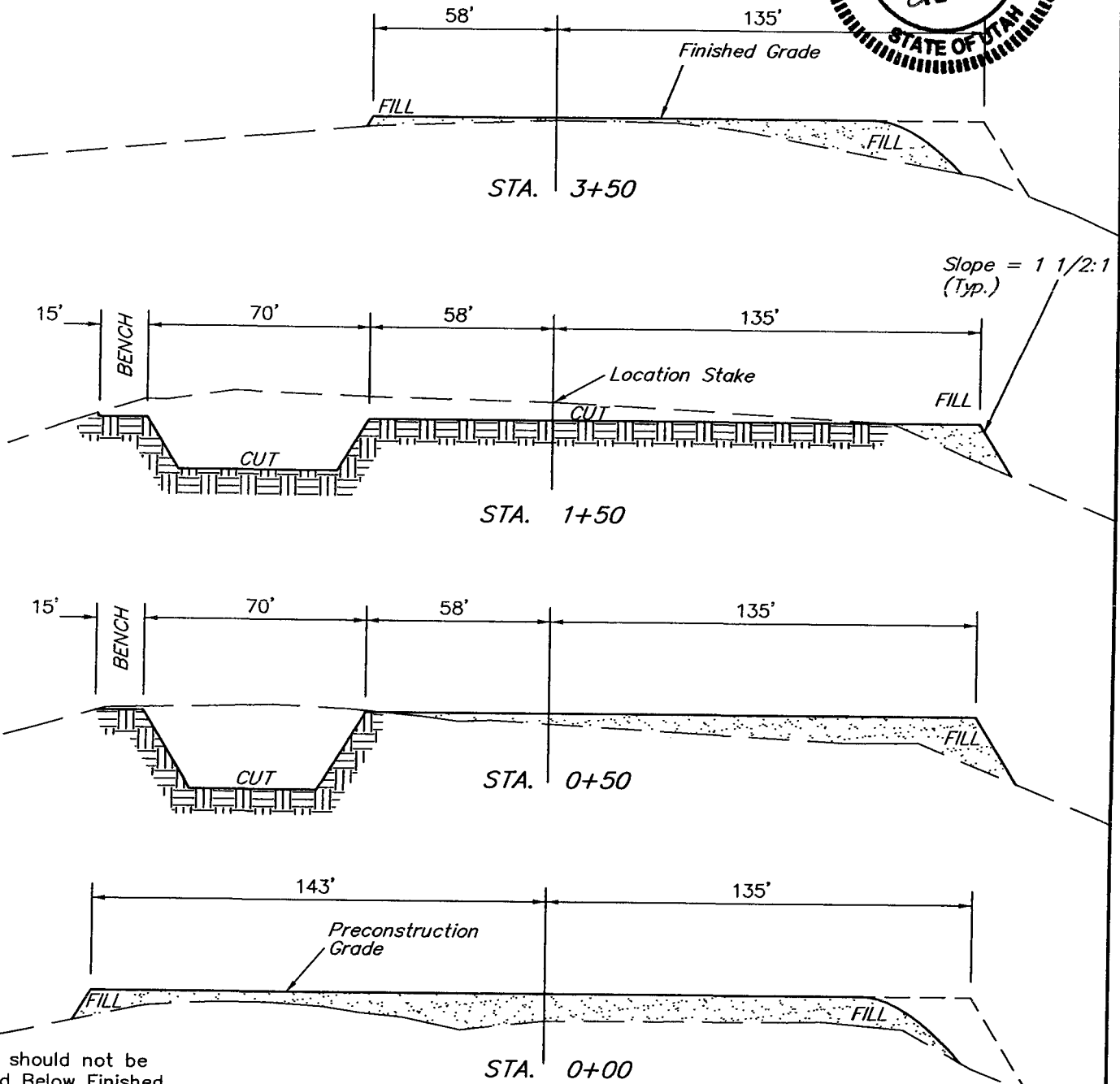
SECTION 29, T10S, R21E, S.L.B.&M.

2635' FNL 1010' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 11-17-06

Drawn By: C.H.



NOTE:
Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,730 Cu. Yds.
Remaining Location = 5,750 Cu. Yds.
TOTAL CUT = 7,480 CU.YDS.
FILL = 4,360 CU.YDS.

EXCESS MATERIAL = 3,120 Cu. Yds.
Topsoil & Pit Backfill = 3,120 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/02/2007

API NO. ASSIGNED: 43-047-39017

WELL NAME: NBU 1021-29E

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

SWNW 29 100S 210E

SURFACE: 2635 FNL 1010 FWL

BOTTOM: 2635 FNL 1010 FWL

COUNTY: UINTAH

LATITUDE: 39.91870 LONGITUDE: -109.5808

UTM SURF EASTINGS: 621291 NORTHINGS: 4419488

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DND	2/27/07
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-21330

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 3 - State

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

____ R649-2-3.
Unit: NATURAL BUTTES
____ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
____ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173H
Eff Date: 12/21/99
Siting: 460' from wellbore minimum. tract
____ R649-3-11. Directional Drill

COMMENTS:

Needs Posiv (02-1307)

STIPULATIONS:

1- STATEMENT OF BASIS
2- OIL SURVE
3- Surface Cog Cont Step

Application for Permit to Drill

Statement of Basis

2/21/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
243	43-047-39017-00-00		GW	S	No
Operator	KERR-MCGEE OIL & GAS ONSHORE, LP	Surface Owner-APD			
Well Name	NBU 1021-29E	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SWNW 29 10S 21E S 0 FL 0 FL GPS Coord (UTM) 621291E 4419488N				

Geologic Statement of Basis

Kerr McGee proposes to set 1,900' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,300'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 29. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill

2/21/2007

APD Evaluator

Date / Time

Surface Statement of Basis

The general area is within the Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 11 miles to the White River. No seeps, springs or streams exist in the area.

This location is approximately 18 miles southeast of Ouray, Ut. and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within approximately 0.6 miles of the site, where a re-habed road will be up-graded for 0.5 miles and a new road constructed for 0.1 miles.

The proposed location is on a small flat-topped portion of an intermediate ridge, which slopes gently to the north but drops off on the east and west into deep draws. The top of ridge will be excavated and filled on three sides to form the pad.

Both the surface and minerals are owned by SITLA. Jim Davis represented SITLA at the pre-site investigation. Mr. Davis had no concerns pertaining to this location. The selected location appears to be the best site for drilling and operating a well in the immediate area.

Floyd Bartlett

2/13/2007

Onsite Evaluator

Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP
Well Name NBU 1021-29E
API Number 43-047-39017-0 **APD No** 243 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SWNW **Sec** 29 **Tw** 10S **Rng** 21E 0 FL 0 FL
GPS Coord (UTM) 621290 4419485 **Surface Owner**

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Tony Kznick, and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering and Land Surveying), and Ben Williams (UDWR)

Regional/Local Setting & Topography

The general area is within the Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimmed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 11 miles to the White River. No seeps, springs or streams exist in the area.

This location is approximately 18 miles southeast of Ouray, Ut. and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within approximately 0.6 miles of the site, where a re-habed road will be up-graded and a new road constructed for 0.1 miles.

The proposed location is on a small flat-topped portion of an intermediate ridge, which slopes gently to the north but also drops off on the east and west into deep draws. Top of ridge will be excavated and filled on three sides to form the pad.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 263 Length 350	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Snow covered the vegetation on the area. Identifiable vegetation consisted of shadscale and horsebrush. Vegetation is sparse.

Antelope, cattle, rabbits, coyotes, and small mammals, birds and raptors.

Soil Type and Characteristics

Moderately deep sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors		Site Ranking	
Distance to Groundwater (feet)	>200	0	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)	300 to 1320	10	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)	<10	0	
Affected Populations	<10	0	
Presence Nearby Utility Conduits	Not Present	0	
		Final Score	25 1 Sensitivity Level

Characteristics / Requirements

The proposed reserve pit is 70' x 150' x 10' deep located in a cut on the south east corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? N

Other Observations / Comments

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when revegetating the location.

The area was covered with snow. ATV's were used to access the site.

Floyd Bartlett
Evaluator

2/13/2007
Date / Time

Casing Schematic

BHP $0.052(9370)11.5 = 5603 \text{ psi}$
anticipate 5809 psi

GMS $.12(9370) = 1124$
 $5603 - 1124 = 4479 \text{ psi MASP}$

BOPE 5M ✓

9-5/8"
MW 8.4
Frac 19.3

Burst 2270
70% 1589 psi

Max P @ surf. shoe
 $.22(7470) = 1643$
 $5603 - 1643 = 3960 \text{ psi}$

test to 1589 psi ✓

Slip \Rightarrow surf. cnt. ✓

✓ Adequate 2/27/07

4-1/2"
MW 11.5

Surface

TOC @ 0.

901' TOC w/0% w/o
1111' Green River

1333' Birds Nest Water
TOC @ 1407.
option 1 shown / top out
1880' Mahogany V.O.K.
Surface 1900. MD

4288' Wasatch
4300' BMSW

7202' Mesaverde

8182' MV U2

8680' MV L1

Production
9370. MD

Well name:

2007-02 Kerr McGee NBU 1021-29E

Operator: Kerr McGee Oil & Gas Onshore L.P.

String type: Surface

Project ID:

43-047-39017

Location: Uintah County, Utah

Design parameters:**Collapse**

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 102 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 1,407 ft

Burst

Max anticipated surface pressure: 1,672 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,900 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,666 ft

Non-directional string.**Re subsequent strings:**

Next setting depth: 9,370 ft
Next mud weight: 11.500 ppg
Next setting BHP: 5,598 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,900 ft
Injection pressure: 1,900 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1900	9.625	32.30	H-40	ST&C	1900	1900	8.876	839.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	829	1370	1.652	1900	2270	1.19	54	254	4.72 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: February 23, 2007
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1900 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2007-02 Kerr McGee NBU 1021-29EOperator: **Kerr McGee Oil & Gas Onshore L.P.**String type: **Production**

Project ID:

43-047-39017Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 11.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 206 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

BurstMax anticipated surface
pressure: 3,536 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,598 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)**Non-directional string.**

Tension is based on buoyed weight.

Neutral point: 7,759 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9370	4.5	11.60	I-80	LT&C	9370	9370	3.875	817.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5598	6360	1.136	5598	7780	1.39	90	212	2.36 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & MineralsPhone: (801) 538-5357
FAX: (801) 359-3940Date: February 23, 2007
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 9370 ft, a mud weight of 11.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

February 7, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Natural Buttes Unit Uintah
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Wasatch/MesaVerde)

43-047-39004	NBU 1021-19C Sec. 19 T. 10S R. 21E	0620 FNL 1904 FWL
43-047-39005	NBU 1021-19D Sec. 19 T. 10S R. 21E	0637 FNL 0755 FWL
43-047-39006	NBU 1021-19E Sec. 19 T. 10S R. 21E	2146 FNL 0879 FWL
43-047-39007	NBU 1021-19K Sec. 19 T. 10S R. 21E	2181 FSL 2092 FWL
43-047-39008	NBU 1021-19N Sec. 19 T. 10S R. 21E	0462 FSL 1845 FWL
43-047-39009	NBU 1021-29L Sec. 29 T. 10S R. 21E	1398 FSL 0190 FWL
43-047-39010	NBU 1021-29O Sec. 29 T. 10S R. 21E	0615 FSL 2115 FEL
43-047-39011	NBU 1021-29N Sec. 29 T. 10S R. 21E	0250 FSL 1764 FWL
43-047-39012	NBU 1021-29J Sec. 29 T. 10S R. 21E	1532 FSL 2192 FEL
43-047-39013	NBU 1021-29K Sec. 29 T. 10S R. 21E	1804 FSL 2143 FWL
43-047-39014	NBU 1021-29I Sec. 29 T. 10S R. 21E	2060 FSL 0962 FEL
43-047-39015	NBU 1021-29G Sec. 29 T. 10S R. 21E	2090 FNL 1960 FEL
43-047-39016	NBU 1021-29F Sec. 29 T. 10S R. 21E	1718 FNL 1529 FWL
43-047-39017	NBU 1021-29E Sec. 29 T. 10S R. 21E	2635 FNL 1010 FWL
43-047-39018	NBU 1021-29C Sec. 29 T. 10S R. 21E	0476 FNL 2501 FWL
43-047-39019	NBU 1021-29A Sec. 29 T. 10S R. 21E	0170 FNL 0627 FEL
43-047-39020	NBU 1021-30I Sec. 30 T. 10S R. 21E	2131 FSL 0387 FEL
43-047-39021	NBU 1021-30J Sec. 30 T. 10S R. 21E	1901 FSL 1827 FEL
43-047-39022	NBU 1021-30K Sec. 30 T. 10S R. 21E	1398 FSL 2686 FWL
43-047-39023	NBU 1021-30L Sec. 30 T. 10S R. 21E	1602 FSL 0980 FWL
43-047-39024	NBU 1021-30M Sec. 30 T. 10S R. 21E	0612 FSL 0462 FWL

Page 2

43-047-39025 NBU 1021-30N Sec. 30 T. 10S R. 21E 0942 FSL 1876 FWL
43-047-39026 NBU 1021-32A Sec. 32 T. 10S R. 21E 0646 FNL 0955 FEL
43-047-39027 NBU 1021-32B Sec. 32 T. 10S R. 21E 0837 FNL 2117 FEL
43-047-39028 NBU 1021-32C Sec. 32 T. 10S R. 21E 0664 FNL 1840 FWL
43-047-39029 NBU 1021-32F Sec. 32 T. 10S R. 21E 1909 FNL 2165 FWL
43-047-39001 NBU 1021-01G Sec. 01 T. 10S R. 21E 2660 FSL 1765 FEL
43-047-39002 NBU 1021-01O Sec. 01 T. 10S R. 21E 0245 FSL 2619 FEL
43-047-39003 NBU 1021-01P Sec. 01 T. 10S R. 21E 0888 FSL 1309 FEL
43-047-39030 NBU 1022-18A Sec. 18 T. 10S R. 22E 1007 FNL 0512 FEL
43-047-39031 NBU 1022-24I Sec. 24 T. 10S R. 22E 2045 FSL 1166 FEL
43-047-39032 NBU 1022-25B Sec. 25 T. 10S R. 22E 0403 FNL 1971 FEL
43-047-39033 NBU 1022-25H Sec. 25 T. 10S R. 22E 2604 FNL 0825 FEL

Our records indicate the NBU 1022-25H is closer than 460 feet from the Natural Buttes Unit boundary (approximately 36 feet).

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:2-7-07

From: Ed Bonner
To: Mason, Diana
Date: 5/22/2007 5:05 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Dominion Exploration & Production, Inc
LCU 5-36F (API 43 047 38785)

Gasco Production Company
State 21-32B (API 43 047 39170)
State 22-32A (API 43 047 39171)
State 21-32A (API 43 047 39172)

Kerr McGee Oil & Gas Onshore LP
NBU 1021-29L (API 43 047 39009)
NBU 1021-29O (API 43 047 39010)
NBU 1021-29N (API 43 047 39011)
NBU 1021-29J (API 43 047 39012)
NBU 1021-29K (API 43 047 39013)
NBU 1021-29I (API 43 047 39014)
NBU 1021-29G (API 43 047 39015)
NBU 1021-29F (API 43 047 39016)
NBU 1021-29E (API 43 047 39017)
NBU 1021-29C (API 43 047 39018)
NBU 1021-29A (API 43 047 39019)
NBU 1021-29P (API 43 047 39110)

Royale Energy, Inc
Trail Canyon 1-1 (API 43 019 31531)
Trail Canyon 2-1 (API 43 019 31532)

XTO Energy, Inc
State of Utah 18-7-1-13 (API 43 015 30694)

If you have any questions regarding this matter please give me a call.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 23, 2007

Kerr McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Natural Buttes Unit 1021-29E Well, 2635' FNL, 1010' FWL, SW NW, Sec. 29,
T. 10 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39017.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management, Vernal Office

Operator: Kerr McGee Oil & Gas Onshore LP
Well Name & Number Natural Buttes Unit 1021-29E
API Number: 43-047-39017
Lease: ML-21330

Location: SW NW Sec. 29 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
(801) 942-0873 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. Surface casing shall be cemented to the surface.
7. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21330
2. NAME OF OPERATOR: Kerr McGee Oil & Gas Onshore L.P.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: P.O. BOX 173779 CITY DENVER STATE CO ZIP 80217-3779		7. UNIT or CA AGREEMENT NAME: Unit #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2635' FNL, 1010' FWL COUNTY: UINTAH QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 29 10S 21E STATE: UTAH		8. WELL NAME and NUMBER: NBU 1021-29E
PHONE NUMBER: (720) 929-6171		9. API NUMBER: 4304739017
		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr McGee Oil & Gas Onshore, LP, respectfully requests a one year extension for NBU 1021-29E, in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 2/2/2007.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 10.2.2008

Initials: KS

Date: 05-29-08
By: [Signature]

NAME (PLEASE PRINT) <u>Victoria Marques</u>	TITLE <u>Regulatory Intern</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/27/2008</u>

(This space for State use only)

RECEIVED

MAY 29 2008

DIV. OF OIL, GAS & MINING

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304739017
Well Name: NBU 1021-29E
Location: 2635' FNL, 1010' FWL SWNW Sec. 29 T. 10S R. 27E
Company Permit Issued to: Kerr McGee Oil & Gas Onshore, LP
Date Original Permit Issued: ~~2/2/2007~~ 5/23/07

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Victoria Marquez
Signature

5/27/2008
Date

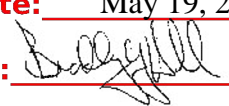
Title: Regulatory Intern

Representing: Kerr McGee Oil & Gas Onshore, LP

RECEIVED

MAY 29 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21330			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1021-29E			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2635 FNL 1010 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 29 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047390170000			
PHONE NUMBER: 720 929-6587 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/22/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.					
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: May 19, 2009 By: 			
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst			
DATE 5/19/2009					

RECEIVED May 19, 2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047390170000

API: 43047390170000

Well Name: NBU 1021-29E

Location: 2635 FNL 1010 FWL QTR SWNW SEC 29 TWNP 100S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 5/23/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 5/19/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: May 19, 2009

By: 

RECEIVED May 19, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21330			
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4. LOCATION OF WELL FOOTAGES AT SURFACE: 2635 FNL 1010 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 29 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047390170000			
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COUNTY: UTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
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NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst			
DATE 5/19/2009					

RECEIVED May 19, 2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047390170000

API: 43047390170000

Well Name: NBU 1021-29E

Location: 2635 FNL 1010 FWL QTR SWNW SEC 29 TWNP 100S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 5/23/2007

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- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
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- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 5/19/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: May 19, 2009

By: 

RECEIVED May 19, 2009



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 24, 2010

43 047 39017
NBU 1021-29E
10S 21E 29

Kerr McGee O&G Onshore LP
1368 South 1200 East
Vernal, Utah 84078

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore LP Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that are being rescinded to Kerr McGee Oil & Gas Onshore LP. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective May 24, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner



Natural Buttes Unit 1022-24I	43-047-39031
Natural Buttes Unit 1021-29L	43-047-39009
Natural Buttes Unit 1021-29O	43-047-39010
Natural Buttes Unit 1021-29N	43-047-39011
Natural Buttes Unit 1021-29J	43-047-39012
Natural Buttes Unit 1021-29K	43-047-39013
Natural Buttes Unit 1021-29G	43-047-39015
Natural Buttes Unit 1021-29F	43-047-39016
Natural Buttes Unit 1021-29E	43-047-39017
Natural Buttes Unit 1021-29C	43-047-39018
Natural Buttes Unit 1021-29A	43-047-39019
Natural Buttes Unit 1021-29P	43-047-39110